



House of Representatives

General Assembly

File No. 560

January Session, 2001

Substitute House Bill No. 6922

House of Representatives, May 2, 2001

The Committee on Finance, Revenue and Bonding reported through REP. MCDONALD of the 148th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE PROPERTY TAX EXEMPTION FOR FARM MACHINERY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-91 of the general statutes is repealed and the
2 following is substituted in lieu thereof:

3 (a) All farm machinery, except motor vehicles, as defined in section
4 14-1, to the value of [one] two hundred thousand dollars, any horse or
5 pony which is actually and exclusively used in farming, as defined in
6 section 1-1, when owned and kept in this state by, or when held in
7 trust for, any farmer or group of farmers operating as a unit, a
8 partnership or a corporation, a majority of the stock of which
9 corporation is held by members of a family actively engaged in farm
10 operations, shall be exempt from local property taxation; provided
11 each such farmer, whether operating individually or as one of a group,
12 partnership or corporation, shall qualify for such exemption in

13 accordance with the standards set forth in subsection (b) of this section
14 for the assessment year for which such exemption is sought. Only one
15 such exemption shall be allowed to each such farmer, group of
16 farmers, partnership or corporation. Subdivision (38) of section 12-81
17 shall not apply to any person, group, partnership or corporation
18 receiving the exemption provided for in this subsection.

19 (b) Annually, within thirty days after the assessment date in each
20 town, city or borough, each such individual farmer, group of farmers,
21 partnership or corporation shall make written application for the
22 exemption provided for in subsection (a) of this section to the assessor
23 or board of assessors in the town in which such farm is located,
24 including therewith a notarized affidavit certifying that such farmer,
25 individually or as part of a group, partnership or corporation, derived
26 at least fifteen thousand dollars in gross sales from such farming
27 operation, or incurred at least fifteen thousand dollars in expenses
28 related to such farming operation, with respect to the most recently
29 completed taxable year of such farmer prior to the commencement of
30 the assessment year for which such application is made, on forms to be
31 prescribed by the Commissioner of Agriculture. Failure to file such
32 application in said manner and form within the time limit prescribed
33 shall be considered a waiver of the right to such exemption for the
34 assessment year. Any person aggrieved by any action of the assessors
35 shall have the same rights and remedies for appeal and relief as are
36 provided in the general statutes for taxpayers claiming to be aggrieved
37 by the doings of the assessors or board of assessment appeals.

38 Sec. 2. (NEW) Any municipality, upon approval by its legislative
39 body, may provide an exemption from property tax for farm
40 machinery, other than motor vehicles, as defined in section 14-1 of the
41 general statutes, which machinery is valued in excess of two hundred
42 thousand dollars.

43 Sec. 3. This act shall take effect October 1, 2001, and shall be

44 applicable to assessment years commencing on and after said date.

FIN *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Affected Agencies: Office of Policy and Management

Municipal Impact: Grand List Reduction, STATE MANDATE

Explanation**Municipal Impact:**

There is a grand list reduction in the aggregate as a result of the bill: (a) doubling the maximum value from \$100,000 to \$200,000 of farm machinery municipalities must exempt; and from (b) municipalities electing to exempt the amount of value of farm machinery above \$200,000 from their grand list.

Farm machinery currently not exempted represents 0.03% of the grand list for all municipalities in the aggregate.

OLR Bill Analysis

sHB 6922

AN ACT CONCERNING THE PROPERTY TAX EXEMPTION FOR FARM MACHINERY.

SUMMARY:

This bill (1) doubles, from \$100,000 to \$200,000, the maximum value of farm machinery that towns must exempt from local property taxes and (2) allows town legislative bodies to exempt farm machinery worth more than \$200,000. Under current law and the bill, the exemption applies to farm machinery other than motor vehicles. Agricultural tractors and farm implements are excluded from the statutory definition of "motor vehicle."

EFFECTIVE DATE: October 1, 2001 and applicable to assessment years beginning on and after that date.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 45 Nay 0